

*In the Claims*

Please amend claims 17, 29 and 32 and cancel claim 33 without prejudice or disclaimer to the subject matter contained therein. It is submitted that the amendments to claims 17 and 29 simply correct a typo that was pointed out by the Examiner in the Advisory Action as a missed 35 USC 112, 2<sup>nd</sup> paragraph rejection. Claim 32 was amended to include the limitations of dependent claim 33 (that has been canceled) and as such does not add any new material that would require a further search. As the amendments to claims 17 and 27 correct the typo in order to correct the missed 112 2<sup>nd</sup> paragraph rejection and the amendment to claim 32 puts the claim in condition for allowance for reasons to be discussed below, it is respectfully submitted that the amendments should be entered.

The claims of the application are as follows:

1-16. (Canceled)

17. (Currently Amended) In a television network environment consisting of a display device and a storage medium, a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers, the method comprising:

transmitting advertisements to subscribers over an advertisement channel, wherein the advertisements are transmitted at a bandwidth that is less ~~then~~ than the bandwidth required to present the advertisements in real time, and are accordingly transmitted in advance of presentation of the advertisements to the subscribers; and  
storing the advertisements in a storage medium.

18. (Previously Presented) The method of claim 17, further comprising selecting targeted advertisements to be transmitted to the subscribers, wherein said transmitting includes transmitting the targeted advertisements.

19. (Previously Presented) The method of claim 18, wherein the targeted advertisements are selected for the subscribers based on subscriber characteristics.

20. (Previously Presented) The method of claim 19, wherein the subscriber characteristics include at least some subset of demographics attributes, geographic attributes, psychological attributes, and viewing attributes.

21. (Previously Presented) The method of claim 17, further comprising forming subgroups of subscribers that share one or more common subscriber characteristics, wherein said transmitting includes transmitting the advertisements to the subgroups.

22. (Previously Presented) The method of claim 21, further comprising selecting targeted advertisements for the subgroups wherein said transmitting includes transmitting the targeted advertisements to the subgroups.

23. (Previously Presented) The method of claim 17, wherein said transmitting includes transmitting the advertisement channel at a constant bit rate.

24. (Previously Presented) The method of claim 17, wherein said transmitting includes transmitting the advertisement channel at a variable bit rate that changes over time according to amount of bandwidth available for the advertisement channel.

25. (Previously Presented) The method of claim 24, wherein the amount of bandwidth available for the advertisement channel is determined by subtracting amount of bandwidth used by the television network from total bandwidth of the television network.

26. (Previously Presented) The method of claim 25, wherein the amount of bandwidth used by the television network includes bandwidth for transmitting programming channels.

27. (Currently Amended) A system for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers, the system comprising:

a transmitter for transmitting the advertisements to the subscribers over an advertisement channel, wherein the advertisements are transmitted at a bandwidth that is less than than the bandwidth required to present the advertisements in real time, and are accordingly transmitted in advance of presentation of the advertisements to the subscribers;

a storage medium for storing the advertisements; and

a display device interface for allowing the advertisements to be presented to the subscriber.

28. (Previously Presented) The system of claim 27, further comprising an advertisement selector for selecting targeted advertisements to be transmitted to the subscribers.

29. (Previously Presented) The system of claim 27, further comprising a subgroup creator for forming a subgroup of subscribers for transmitting the advertisement channel to, wherein the subscribers within the subgroup have at least one subscriber characteristic in common.

30. (Previously Presented) The system of claim 27, wherein said transmitter transmits the advertisement channel at a constant bit rate.

31. (Previously Presented) The system of claim 27, wherein said transmitter is capable of monitoring available bandwidth and statistically varies rate of transmission of the advertisements based on the available bandwidth.

32. (Currently Amended) In a television network environment consisting of a display device and a storage medium, a method for delivering advertisements to subscribers in advance of presentation of the advertisements to the subscribers, the method comprising:

forming a subgroup of subscribers that share one or more common subscriber characteristics;

selecting targeted advertisements to be transmitted to the subgroup;

transmitting the targeted advertisements to the subgroup over an advertisement channel, wherein the targeted advertisements are transmitted in advance of presentation of the targeted advertisements to the subscribers at a bandwidth that is less than the bandwidth required to present the targeted advertisements in real time; and

storing the targeted advertisements in a storage medium.

33. (Canceled)

34. (Previously Presented) The method of claim 32, wherein said transmitting includes transmitting the targeted advertisements at a variable bit rate, wherein the bite rate changes over time according to amount of bandwidth available for the advertisement channel.

35. (Previously Presented) The method of claim 32, wherein said transmitting includes transmitting the advertisements off-peak.

36. (Previously Presented) The method of claim 32, wherein said selecting includes selecting the targeted advertisements based on subscriber characteristics that include at least some subset of demographics attributes, geographic attributes, psychological attributes, and viewing attributes.

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